



# INTERNATIONAL EGG AND POULTRY REVIEW

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## Mexico

On June 12, 2001 the Secretariat of Agriculture (SAGARPA) must begin inspection of meat products imported into Mexico on the Mexican side of the border according to a law passed by Congress last summer. Concern was being expressed by various Mexican beef, pork and poultry importers that SAGARPA will not be prepared to implement the law when the deadline arrives. If SAGARPA has to enforce the law and is unprepared when the deadline arrives, the border will close to U.S. meat exports. It is anticipated that it will take up to 3 months build an inspection facility and the specifications for these inspection points are so restrictive that only a few border points are predicted to be able to generate enough volume to make them profitable. Meat importers and other business were trying to get Congress to delay the implementation of the law.

Source: USDA/Foreign Agricultural Service

## Brazil

An outbreak of foot-and-mouth disease hit southern Brazil just as the government was preparing a massive vaccination campaign, agriculture officials said Monday, May 7, 2001. Eleven head of cattle contracted the disease in Rio Grande do Sul state, which borders Uruguay and Argentina. Brazil, in response to the foot and mouth disease breakout, has increased the amount of cattle to be vaccinated from 4 million head to the entire herd of 13 million head in Rio Grande do Sul.

Argentina has confirmed 291 cases of foot-and-mouth disease since mid-March and 190 cases have been confirmed in Uruguay in the last two weeks. Both countries are conducting massive vaccination campaigns.

Source: Des Moines Register

## A New Brazilian Poultry and Pork Trading Company

SADIA and PERDIAGO, respectfully, Brazil's first and second largest processors and exporters of poultry and swine meat, have decided to join forces to create the Brazilian Food (BRF) Trading Company. The company will be equally owned by SADIA and PERDIAGO and will operate from an overseas headquarters to be determined. Expectations are, according to trade sources, that the company will be officially inaugurated in June, 2001, during the official visit to Russia by the Brazilian President.

The trading company will target the following specific markets: Russia (including the republics of the Former Soviet Union), Egypt, South Africa, Angola, Cuba, Dominican Republic, Iran, Iraq, and Jordan along with other emerging markets. BRF Trading, according to officials from both companies, will not compete in countries

where SADIA and PERDIAGO have already established their presence, such as the European Union, Saudi Arabia, Japan, Singapore and Hong Kong. Official from both companies have also publicly stated that, in the future, other Brazilian food companies may take advantage of BRF logistics to export their products to these specific markets.

BRF Trading is based on the Italian marketing promotion model "export consortiums". The model consists of producers or companies who go into "partnership" to explore specific export markets, by sharing promotion and logistical costs. This model is being promoted by the Ministry of Development, Industry and Foreign Trade (MDIC) in Brazil and already exists in the fruit sector. It is not clear whether the MDIC through its Export Promotion Agency (APEX) will provide funds to BRF for market promotion. The poultry and swine sectors already have export promotion programs valued at US\$2.5 million for poultry and US\$3.0 million for swine, of which APEX contributes 50 percent. APEX rules do not allow marketing promotion programs for an individual company, but it permits the formation of "export consortiums" to receive market promotion funds.

Since French Doux is already in the Brazilian market, there is speculation that BRF could also be used as the first move by Brazil's largest poultry and pork poultry processors to survive a possible buyout by foreign nationals, such as from the U.S. In 2000, SADIA produced 705,286 metric tons of broilers representing 11.8 percent of the total broiler production and over 90 percent of the turkey production in Brazil. SADIA exported 260,353 metric tons of broiler meat in 2000 representing 28.7 percent of total Brazilian poultry exports.

PERDIAGO produced 260,353 metric tons of broilers in 2000 representing 9 percent of total broiler production and exported 193,337 metric tons of broiler meat representing 21.3 percent of total Brazilian poultry exports.

Source: USDA/Foreign Agriculture Service

## China

China has signed a trade preference agreement to become the sixth member of the 1975 Bangkok Agreement. The Bangkok Agreement covers food items, leather products and garments. China joined five other Asian countries in the agreement and has pledged to reduce tariffs on 634 products, according to the UN Economic and Social Commission for Asia and the Pacific (ESCAP). These countries include India, South Korea, Laos, Sri Lanka, and Bangladesh.

China will cut duties by 10 to 84 percent on 634 products, while other members will cut tariffs on 1400 products. Ravi Ratnayak, chief of trade policy at ESCAP, said Pakistan, Vietnam, Myanmar and Nepal had also expressed interest in joining.

Source: Bridges

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending May 05, 2001	Year-To-Date			
	2001	2000/1	2001	2000
Liquid	548	91	4,124	1,955
Frozen	40	0	40	40
Dried	0	0	22	112
Total	588	91	4,186	2,107

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending May 05, 2001	Year-To-Date			
	2001	2000/1	2001	2000
Liquid	55	121	1,627	2,156
Frozen	4	1	567	186
Dried	0	0	226	523
Total	59	122	2,420	2,865

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending May 05, 2001	Year-To-Date			
	2001	2000/1	2001	2000
Jumbo	0	6	87	318
Extra Large	1,425	480	11,541	10,433
Large	2,686	2,995	34,861	48,730
Medium	660	392	14,008	11,780
Ungraded	9,960	9,000	82,544	55,920
Misc	3,800	0	19,128	5,310
Total	18,531	12,873	162,169	132,491

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Pltry Development Div.

**LIVE POULTRY SLTRD UNDER INSPECTION**

(PRELIMINARY)

W/E 05-May-01

**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,754	1,400	3,154
LAST WEEK	1,791	1,396	3,187
SAME WEEK YR AGO	2,124	1,403	3,527
TO-DATE/2001	33,259	23,811	57,070
TO-DATE/2000	36,750	24,709	61,459

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	505	0	505
LAST WEEK	410	23	433
SAME WEEK YR AGO	535	0	535
TO-DATE/2001	9,036	143	9,179
TO-DATE/2000	9,465	50	9,515

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED  
IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,259	1,400	3,659
LAST WEEK	2,201	1,419	3,620
SAME WEEK YR AGO	2,659	1,403	4,062
TO-DATE/2001	42,295	23,954	66,249
TO-DATE/2000	46,215	24,759	70,974

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

**CHICKEN**

11-MAY-2001  
PRICES VOLUME  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

PRICES VOLUME  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	16.00-17.00	61,200	-
WTD AVERAGE		16.50		
15-20%				
RANGE	17.00-19.00	11.00-14.00	3,041,600	2,184,800
WTD AVERAGE	17.57	12.66		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**CHICKEN**

11-MAY-2001  
PRICES VOLUME  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	21.00	-	312,000	312,000
WTD AVERAGE	21.00			

**CHICKEN, WITH SKIN ADDED**

PRICES VOLUME  
(Cents per Pound)

FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	18.25-21.00	15.50-19.00	1,071,000	416,000
WTD AVERAGE	18.61	17.84		
15-20%				
RANGE	12.25-21.00	11.00-14.50	2,092,000	1,132,000
WTD AVERAGE	16.23	12.78		
20% OR MORE				
RANGE	-	12.00	80,000	-
WTD AVERAGE		12.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 11 MAY 2001.**

Undertone about steady on tom breast meat and destrapped tenderloins. Demand light to fair with some open priced fresh tom breast meat trading noted for June-July shipments. Offerings of tom breast meat were in a full range, but mostly adequate and excess inventories of frozen destrapped tenderloins were becoming better balanced. The trade sentiment on thigh meat ranged from steady to weak. However, demand and trading has improved at the lower trending price levels. Offerings available. Bulk parts offerings continued tight on hen 2-joints, however, the balance of hen parts showed signs of increased availability. Tom bulk parts offers ranged from adequate to ample on wings to at least adequate on the balance of items. Trading was active on frozen thigh meat and frozen mechanically separated turkey for export, light on the balance of items. For export: fresh tom drums 29, mostly hen defatted gizzards 42.50, fresh destrapped tenderloins 143-144 cents

**FRIDAY, MAY 11, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	28.00-31.00		29.00	160	29.54	1,424
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM	30.00		30.00	160	30.00	160
TAILS		R	29.50	160	29.13	212
MECHANICALLY SEPARATED 2/	18.00-19.00		18.44	544	18.36	1,173
THIGH MEAT - FROZEN	65.00-69.00		65.57	1,160	67.04	1,813

**THURSDAY, MAY 10, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	28.00-32.00		29.71	572
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	28.00-30.00		29.50	160
MECHANICALLY SEPARATED 2/	17.00-18.00		17.60	200
THIGH MEAT - FROZEN	67.00-72.00		69.45	540

**WEDNESDAY, MAY 09, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	28.50-31.00		29.53	692
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	28.00		28.00	52
MECHANICALLY SEPARATED 2/	18.00-20.00		18.60	429
THIGH MEAT - FROZEN	70.00-71.00		70.54	113

**TUESDAY, MAY 08, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	30.44	352
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	27.00	120
MECHANICALLY SEPARATED 2/		F	18.00	80
THIGH MEAT - FROZEN		F	70.37	328

**MONDAY, MAY 07, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	30.44	352
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	27.00	120
MECHANICALLY SEPARATED 2/		F	18.00	80
THIGH MEAT - FROZEN		F	70.37	328

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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